

# **INXUBA YETHEMBA LOCAL MUNICIPALITY**

## **BUDGET AND TREASURY DIRECTORATE**



### **A-SCHEDULE**

# **Municipal annual budgets and MTREF & supporting tables**

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Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

Elsabé Rossouw  
National Treasury  
Tel: (012) 315-5534  
Electronic submissions:  
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### Preparation Instructions

Municipality Name:

CFO Name:

Tel:

Fax:

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Budget for MTREF starting:

Budget Year: 2019/20

Does this municipality have Entities?

If YES: Identify type of report:

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# **EC131 Inxuba Yethemba - Contact Information**

## **A. GENERAL INFORMATION**

<b>Municipality</b>	<b>EC131 Inxuba Yethemba</b>
<b>Grade</b>	<b>B</b>
<b>Province</b>	<b>EC EASTERN CAPE</b>
<b>Web Address</b>	
<b>e-mail Address</b>	<a href="mailto:mm@iym.gov.za">mm@iym.gov.za</a>

## **B. CONTACT INFORMATION**

<b>Postal address:</b>	
<b>P.O. Box</b>	<b>24</b>
<b>City / Town</b>	<b>Cradock</b>
<b>Postal Code</b>	<b>5881</b>
<b>Street address</b>	
<b>Building</b>	<b>Town Hall</b>
<b>Street No. &amp; Name</b>	<b>JA Calata</b>
<b>City / Town</b>	<b>Cradock</b>
<b>Postal Code</b>	<b>5881</b>

## **General Contacts**

<b>Telephone number</b>	<b>488 015 000</b>
<b>Fax number</b>	<b>488 811 421</b>

## **C. POLITICAL LEADERSHIP**

<b>Speaker:</b>	
<b>ID Number</b>	
<b>Title</b>	<b>Ms</b>
<b>Name</b>	<b>Ms Norjite</b>
<b>Telephone number</b>	<b>488 015 000</b>
<b>Cell number</b>	<b>827 986 257</b>
<b>Fax number</b>	<b>488 811 421</b>
<b>E-mail address</b>	<b>alton@iym.gov.za</b>

<b>Secretary/PA to the Speaker:</b>	
<b>ID Number</b>	
<b>Title</b>	<b>Mr</b>
<b>Name</b>	<b>Alton</b>
<b>Telephone number</b>	<b>498 021 300</b>
<b>Cell number</b>	
<b>Fax number</b>	<b>488 811 421</b>
<b>E-mail address</b>	<b>alton@iym.gov.za</b>

<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Cllr Z.R. Shweni	Name	Hombisa Dikana
Telephone number	488 015 004	Telephone number	488 015 004
Cell number	826 131 190	Cell number	
Fax number	488 811 421	Fax number	488 811 421
E-mail address	<a href="mailto:hombisa@lym.gov.za">hombisa@lym.gov.za</a>	E-mail address	<a href="mailto:hombisa@lym.gov.za">hombisa@lym.gov.za</a>
<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>D. MANAGEMENT LEADERSHIP</b>			
<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
ID Number		ID Number	
Title	Mr	Title	Miss
Name	Mr X Msweli	Name	S Magagu
Telephone number	488015043	Telephone number	488015043
Cell number	664791263	Cell number	739000365
Fax number	488811421	Fax number	488811421
E-mail address	<a href="mailto:mm@lym.gov.za">mm@lym.gov.za</a>	E-mail address	<a href="mailto:mm@lym.gov.za">mm@lym.gov.za</a>
<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number		ID Number	
Title	Mr	Title	Mr
Name	Lucky Mulaudzi	Name	Thando Sindelo
Telephone number	0488015024	Telephone number	488015046
Cell number	716828100	Cell number	0835468723
Fax number	488811421	Fax number	488015046
E-mail address	<a href="mailto:Lucky@lym.gov.za">Lucky@lym.gov.za</a>	E-mail address	<a href="mailto:cfo@lym.gov.za">cfo@lym.gov.za</a>
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	

ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address

**Official responsible for submitting financial information**

ID Number	
Title	Mr
Name	Ludwe Hanana
Telephone number	488015015
Cell number	7174202556
Fax number	
E-mail address	ludwe@iym.gov.za

**EC131 Inxuba Yethemba - Table A1 Budget Summary**

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Financial Performance</b>										
Property rates	32 953	36 415	40 300	92 754	42 544	42 544	42 544	44 925	47 351	49 908
Service charges	93 173	104 896	110 016	343 523	152 601	152 601	152 601	171 310	192 323	215 231
Investment revenue	-	670	264	614	892	892	-	942	993	1 046
Transfers recognised - operational	46 127	52 352	52 211	119 342	49 033	49 033	-	54 181	51 147	54 352
Other own revenue	14 751	18 786	39 490	35 214	33 196	33 196	7 337	35 055	31 940	33 665
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>187 004</b>	<b>213 119</b>	<b>242 280</b>	<b>591 446</b>	<b>278 266</b>	<b>278 266</b>	<b>202 482</b>	<b>306 413</b>	<b>323 753</b>	<b>354 201</b>
Employee costs	71 944	75 853	81 965	198 347	90 000	90 000	90 000	90 000	95 400	101 124
Remuneration of councillors	6 950	6 828	7 926	11 618	7 200	7 200	-	8 006	8 439	8 894
Depreciation & asset impairment	61 495	62 067	62 661	111 231	60 386	60 386	60 386	63 767	67 211	70 840
Finance charges	17 208	19 449	15 371	756	4 000	4 000	-	4 224	4 452	4 693
Materials and bulk purchases	65 595	61 485	69 083	177 541	55 747	55 747	50 000	71 820	75 698	79 786
Transfers and grants	-	-	-	1 916	28 543	28 543	-	11 274	11 883	12 524
Other expenditure	67 503	90 204	78 466	112 556	45 284	45 284	42 851	29 941	31 557	33 262
<b>Total Expenditure</b>	<b>290 696</b>	<b>315 886</b>	<b>315 473</b>	<b>613 965</b>	<b>291 159</b>	<b>291 159</b>	<b>243 237</b>	<b>279 032</b>	<b>294 640</b>	<b>311 123</b>
<b>Surplus/(Deficit)</b>	<b>(103 692)</b>	<b>(102 767)</b>	<b>(73 193)</b>	<b>(22 519)</b>	<b>(12 893)</b>	<b>(12 893)</b>	<b>(40 755)</b>	<b>27 381</b>	<b>29 113</b>	<b>43 078</b>
Transfers and subsidies - capital (monetary allocations) (†)	22 471	24 896	25 313	40 470	15 862	15 862	-	26 877	29 781	27 866
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(81 221)</b>	<b>(77 871)</b>	<b>(47 880)</b>	<b>17 951</b>	<b>2 969</b>	<b>2 969</b>	<b>(40 755)</b>	<b>54 258</b>	<b>58 894</b>	<b>70 944</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(81 221)</b>	<b>(77 871)</b>	<b>(47 880)</b>	<b>17 951</b>	<b>2 969</b>	<b>2 969</b>	<b>(40 755)</b>	<b>54 258</b>	<b>58 894</b>	<b>70 944</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	21 336	25 582	35 708	28 202	4 752	4 752	-	26 877	29 781	27 866
Transfers recognised - capital	20 744	23 047	25 313	28 202	4 752	4 752	-	26 877	29 781	27 866
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	592	2 535	10 395	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>21 336</b>	<b>25 582</b>	<b>35 708</b>	<b>28 202</b>	<b>4 752</b>	<b>4 752</b>	<b>-</b>	<b>26 877</b>	<b>29 781</b>	<b>27 866</b>
<b>Financial position</b>										
Total current assets	21 718	38 432	37 355	114 846	216 977	216 977	95 065	132 336	195 509	261 963
Total non current assets	1 412 058	1 358 147	1 331 495	(30 835)	1 368 770	1 368 770	1 272 323	1 342 494	1 416 441	1 489 406
Total current liabilities	97 282	103 724	129 602	-	136 906	136 906	113 914	179 459	189 150	199 364
Total non current liabilities	66 734	74 892	62 057	-	39 586	39 586	-	62 057	65 408	68 940
Community wealth/Equity	1 269 761	1 217 962	1 177 192	84 011	1 409 254	1 409 254	1 253 474	1 233 315	1 357 393	1 483 066
<b>Cash flows</b>										
Net cash from (used) operating	21 305	24 215	35 078	756	269 713	269 713	(9 553)	86 257	84 415	88 844
Net cash from (used) investing	(21 116)	(25 054)	(35 351)	(38 164)	(38 164)	(38 164)	-	(22 125)	(23 320)	(24 579)
Net cash from (used) financing	(1 256)	(189)	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>3 151</b>	<b>2 123</b>	<b>1 850</b>	<b>(35 285)</b>	<b>233 673</b>	<b>233 673</b>	<b>(9 553)</b>	<b>93 876</b>	<b>154 971</b>	<b>219 237</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	3 151	2 123	2 753	(38 485)	7 645	7 645	26 546	93 876	154 971	219 237
Application of cash and investments	46 275	60 360	96 635	-	(85 217)	(85 217)	74 108	91 619	98 002	104 694
<b>Balance - surplus (shortfall)</b>	<b>(43 124)</b>	<b>(58 237)</b>	<b>(93 882)</b>	<b>(38 485)</b>	<b>92 862</b>	<b>92 862</b>	<b>(47 562)</b>	<b>2 257</b>	<b>56 969</b>	<b>114 543</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 455 699	1 391 310	1 343 888	(43 194)	1 379 862	1 379 862	1 379 862	1 258 693	1 326 663	1 398 303
Depreciation	-	-	-	111 231	60 386	60 386	60 386	63 767	67 211	70 840
Renewal and Upgrading of Existing Assets	-	-	-	28 202	(37 912)	(37 912)	(37 912)	(1 000)	399	(3 103)
Repairs and Maintenance	-	-	-	13 000	1 761	1 761	1 761	12 020	12 669	13 353
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	2 800	2 800	2 951	3 111
<b>Households below minimum service level</b>										
Water	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



EC131 Inxuba Yethemba - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		-	-	-	210 501	106 940	106 940	129 558	127 075	134 413
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	210 501	106 940	106 940	129 558	127 075	134 413
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	27 056	13 134	13 134	13 432	14 022	14 746
Community and social services		-	-	-	13 065	6 199	6 199	5 879	6 061	6 356
Sport and recreation		-	-	-	2 272	1 392	1 392	1 574	1 659	1 749
Public safety		-	-	-	11 575	5 471	5 471	5 693	6 001	6 325
Housing		-	-	-	144	71	71	284	300	316
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	56 265	23 638	23 638	27 653	30 599	28 728
Planning and development		-	-	-	15 510	7 622	7 622	11 395	13 663	10 819
Road transport		-	-	-	40 755	16 016	16 016	16 258	16 937	17 909
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	347 400	150 416	150 416	162 647	181 838	204 180
Energy sources		-	-	-	291 480	121 155	121 155	138 191	157 415	178 438
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	55 921	29 261	29 261	24 456	24 423	25 742
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	-	-	641 223	294 128	294 128	333 290	353 534	382 067
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		-	-	-	158 373	97 076	97 076	72 671	77 135	81 873
Executive and council		-	-	-	58 815	53 793	53 793	28 632	30 178	32 380
Finance and administration		-	-	-	97 250	37 564	37 564	43 320	45 659	48 125
Internal audit		-	-	-	2 308	5 719	5 719	719	1 298	1 368
<b>Community and public safety</b>		-	-	-	65 657	41 870	41 870	31 090	32 769	34 539
Community and social services		-	-	-	28 156	18 632	18 632	14 367	15 142	15 960
Sport and recreation		-	-	-	23 048	9 385	9 385	10 765	11 346	11 959
Public safety		-	-	-	8 707	11 206	11 206	3 031	3 195	3 368
Housing		-	-	-	5 747	2 648	2 648	2 928	3 086	3 253
Health		-	-	-	0	0	0	0	0	0
<b>Economic and environmental services</b>		-	-	-	163 466	82 899	82 899	97 864	103 148	108 719
Planning and development		-	-	-	24 449	12 033	12 033	14 752	15 549	16 389
Road transport		-	-	-	139 017	70 866	70 866	83 111	87 599	92 330
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	226 463	69 313	69 313	77 407	81 587	85 992
Energy sources		-	-	-	187 763	57 809	57 809	64 225	67 694	71 349
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	38 700	11 503	11 503	13 181	13 893	14 643
Other	4	-	-	-	5	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	-	-	613 965	291 159	291 159	279 032	294 640	311 123
<b>Surplus (Deficit) for the year</b>		-	-	-	27 258	2 969	2 969	54 258	58 894	70 944

**References**

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.



EC131 Inxuba Yethemba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

2019/20 Mxuba Vetemba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue by Vote</b>										
Vote 1 - MUNICIPAL MANAGER	1	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-
Vote 3 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE DEPARTMENT		1 600	2 049	4 272	800	800	800	845	890	939
Vote 5 - BUDGET AND TREASURY OFFICE		92 497	89 129	128 553	98 962	88 442	88 442	110 507	116 475	122 764
Vote 6 - COMMUNITY SERVICE		20 745	42 809	19 733	39 399	32 759	32 759	46 016	48 501	51 120
Vote 7 - TECHNICAL DEPARTMENT		89 655	75 487	89 906	184 274	139 771	139 771	147 598	156 463	178 878
Vote 8 - IPED		-	-	-	1 371	1 371	1 371	1 447	1 525	1 608
Vote 9 - 0		-	-	-	-	-	-	-	-	-
Vote 10 - 0		-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>204 496</b>	<b>209 474</b>	<b>242 463</b>	<b>324 886</b>	<b>263 142</b>	<b>263 142</b>	<b>306 413</b>	<b>323 854</b>	<b>355 309</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - MUNICIPAL MANAGER	1	-	-	-	12 465	12 465	12 465	13 163	13 873	14 623
Vote 2 - COUNCIL GENERAL		6 552	6 950	6 828	15 998	15 484	15 484	16 351	17 234	18 165
Vote 3 - EXECUTIVE MAYOR		-	-	-	519	519	519	548	577	608
Vote 4 - CORPORATE DEPARTMENT		-	-	-	24 756	14 462	14 462	21 272	22 420	23 631
Vote 5 - BUDGET AND TREASURY OFFICE		204 462	203 378	227 208	27 076	16 884	16 884	23 829	25 116	26 472
Vote 6 - COMMUNITY SERVICE		-	-	-	31 235	30 716	30 716	40 161	42 890	46 347
Vote 7 - TECHNICAL DEPARTMENT		54 814	63 160	61 485	173 334	163 072	163 072	138 072	145 528	153 387
Vote 8 - IPED		-	-	-	15 839	18 595	18 595	25 636	27 001	27 890
Vote 9 - 0		-	-	-	-	-	-	-	-	-
Vote 10 - 0		-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>265 828</b>	<b>273 488</b>	<b>295 522</b>	<b>301 221</b>	<b>272 196</b>	<b>272 196</b>	<b>279 032</b>	<b>294 640</b>	<b>311 123</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>(61 332)</b>	<b>(64 013)</b>	<b>(53 059)</b>	<b>23 585</b>	<b>(9 053)</b>	<b>(9 053)</b>	<b>27 381</b>	<b>29 214</b>	<b>44 186</b>

**References**

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

EC131 Inxuba Yethemba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source												
Property rates	2		32 953	36 415	40 300	92 754	42 544	42 544	42 544	44 925	47 351	49 908
Service charges - electricity revenue	2		75 487	85 163	88 209	291 042	121 000	121 000	121 000	137 940	157 150	178 159
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		17 685	19 733	21 807	52 481	31 601	31 601	31 601	33 370	35 172	37 072
Rental of facilities and equipment			2 049	1 901	2 290	7 642	3 952	3 952	-	4 173	4 399	4 636
Interest earned - external investments			-	670	264	614	892	892	-	942	993	1 046
Interest earned - outstanding debtors			6 017	8 715	12 696	11 906	16 863	16 863	-	14 131	14 895	15 699
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			182	279	232	2 282	245	245	-	3 934	4 147	4 371
Licences and permits			-	-	-	6 151	4 799	4 799	-	5 068	5 342	5 630
Agency services			2 653	3 105	4 553	-	-	-	-	-	-	-
Transfers and subsidies			46 127	52 352	52 211	119 342	49 033	49 033	-	54 181	51 147	54 352
Other revenue	2		1 213	3 493	6 800	7 234	7 337	7 337	7 337	2 996	3 158	3 329
Gains on disposal of PPE			2 639	1 291	12 918	-	-	-	-	4 752	-	-
Total Revenue (excluding capital transfers and contributions)			187 004	213 119	242 280	591 446	278 266	278 266	202 482	306 413	323 753	354 201
Expenditure By Type												
Employee related costs	2		71 944	75 853	81 965	198 347	90 000	90 000	90 000	90 000	95 400	101 124
Remuneration of councillors			6 950	6 828	7 926	11 618	7 200	7 200	-	8 006	8 439	8 894
Debt impairment	3		17 208	19 449	15 371	10 202	2 433	2 433	-	2 569	2 707	2 854
Depreciation & asset impairment	2		61 495	62 067	62 661	111 231	60 386	60 386	60 386	63 767	67 211	70 840
Finance charges			17 208	19 449	15 371	756	4 000	4 000	-	4 224	4 452	4 693
Bulk purchases	2		62 452	61 485	64 444	150 791	50 000	50 000	50 000	52 800	55 651	58 656
Other materials	8		3 143	-	4 639	26 750	5 747	5 747	-	19 020	20 047	21 130
Contracted services			-	6 817	18 541	48 932	26 150	26 150	26 150	5 000	5 270	5 555
Transfers and subsidies			-	-	-	1 916	28 543	28 543	-	11 274	11 883	12 524
Other expenditure	4, 5		50 295	63 938	44 553	53 422	16 701	16 701	16 701	22 372	23 580	24 853
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-
Total Expenditure			290 696	315 886	315 473	613 965	291 159	291 159	243 237	279 032	294 640	311 123
Surplus/(Deficit)			(103 692)	(102 767)	(73 193)	(22 519)	(12 893)	(12 893)	(40 755)	27 381	29 113	43 078
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			22 471	24 896	25 313	40 470	15 862	15 862	-	26 877	29 781	27 866
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(81 221)	(77 871)	(47 880)	17 951	2 969	2 969	(40 755)	54 258	58 894	70 944
Taxation			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			(81 221)	(77 871)	(47 880)	17 951	2 969	2 969	(40 755)	54 258	58 894	70 944
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			(81 221)	(77 871)	(47 880)	17 951	2 969	2 969	(40 755)	54 258	58 894	70 944
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			(81 221)	(77 871)	(47 880)	17 951	2 969	2 969	(40 755)	54 258	58 894	70 944

**References**

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method (Includes Joint Ventures)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - IPED		-	-	-	-	-	-	-	-	-	-
Vote 9 - 0		-	-	-	-	-	-	-	-	-	-
Vote 10 - 0		-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 3 - EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL DEPARTMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - IPED		-	-	-	-	-	-	-	-	-	-
Vote 9 - 0		-	-	-	-	-	-	-	-	-	-
Vote 10 - 0		-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	4 500	-	-	-	12 804	15 148	12 384
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	4 500	-	-	-	12 804	15 148	12 384
<b>Total Capital Expenditure - Vote</b>		-	-	-	4 500	-	-	-	12 804	15 148	12 384
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		150	592	2 183	-	-	-	-	-	-	-
Executive and council		150	-	1 565	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	592	618	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	1 917	604	-	-	-	-	1 000	1 054	1 111
Community and social services		-	1 917	604	-	-	-	-	1 000	1 054	1 111
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		21 186	23 072	32 921	24 202	4 752	4 752	-	25 877	28 727	26 755
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		21 186	23 072	32 921	24 202	4 752	4 752	-	25 877	28 727	26 755
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	4 000	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	4 000	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	21 336	25 582	35 708	28 202	4 752	4 752	-	26 877	29 781	27 866
<b>Funded by:</b>											
National Government		20 744	23 047	25 313	28 202	4 752	4 752	-	26 877	29 781	27 866
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	20 744	23 047	25 313	28 202	4 752	4 752	-	26 877	29 781	27 866
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		592	2 535	10 395	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	7	21 336	25 582	35 708	28 202	4 752	4 752	-	26 877	29 781	27 866

#### References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
- Capital expenditure by functional classification must reconcile to the appropriations by vote.
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
- Total Capital Funding must balance with Total Capital Expenditure.
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget.

EC131 Inxuba Yethemba - Table A6 Budgeted Financial Position

2017/18 Medium Term Budget - Table A6 Budgeted Financial Position											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		3 151	2 123	1 850	(116 485)	7 645	7 645	26 042	93 876	154 971	219 237
Call investment deposits	1	-	-	903	78 000	-	-	504	-	-	-
Consumer debtors	1	10 377	26 563	20 052	153 331	197 917	197 917	56 224	36 993	38 990	41 096
Other debtors		7 353	2 288	2 061	-	-	-	11 675	903	952	1 003
Current portion of long-term receivables		-	6 994	11 924	-	10 248	10 248	(114)	-	-	-
Inventory	2	837	464	565	-	1 166	1 166	734	565	596	628
<b>Total current assets</b>		<b>21 718</b>	<b>38 432</b>	<b>37 355</b>	<b>114 846</b>	<b>216 977</b>	<b>216 977</b>	<b>95 065</b>	<b>132 336</b>	<b>195 509</b>	<b>261 963</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		37 826	39 160	39 520	(1 845)	6 052	6 052	39 520	37 675	39 710	41 854
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 372 008	1 316 762	1 289 750	(28 991)	1 362 718	1 362 718	1 230 578	1 302 594	1 374 387	1 445 080
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		2 225	2 225	2 225	-	-	-	2 225	2 225	2 345	2 472
<b>Total non current assets</b>		<b>1 412 058</b>	<b>1 358 147</b>	<b>1 331 495</b>	<b>(30 835)</b>	<b>1 368 770</b>	<b>1 368 770</b>	<b>1 272 323</b>	<b>1 342 494</b>	<b>1 416 441</b>	<b>1 489 406</b>
<b>TOTAL ASSETS</b>		<b>1 433 777</b>	<b>1 396 579</b>	<b>1 368 851</b>	<b>84 011</b>	<b>1 585 747</b>	<b>1 585 747</b>	<b>1 367 389</b>	<b>1 474 830</b>	<b>1 611 950</b>	<b>1 751 369</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	185	-	3 752	-	-	-	-	-	-	-
Consumer deposits		1 237	1 324	1 403	-	6 049	6 049	2 937	1 403	1 479	1 559
Trade and other payables	4	71 028	96 257	124 446	-	81 000	81 000	71 211	128 199	135 122	142 418
Provisions		24 832	6 143	-	-	49 857	49 857	39 766	49 857	52 549	55 387
<b>Total current liabilities</b>		<b>97 282</b>	<b>103 724</b>	<b>129 602</b>	<b>-</b>	<b>136 906</b>	<b>136 906</b>	<b>113 914</b>	<b>179 459</b>	<b>189 150</b>	<b>199 364</b>
<b>Non current liabilities</b>											
Borrowing		-	45 678	-	-	-	-	-	-	-	-
Provisions		66 734	29 214	62 057	-	39 586	39 586	-	62 057	65 408	68 940
<b>Total non current liabilities</b>		<b>66 734</b>	<b>74 892</b>	<b>62 057</b>	<b>-</b>	<b>39 586</b>	<b>39 586</b>	<b>-</b>	<b>62 057</b>	<b>65 408</b>	<b>68 940</b>
<b>TOTAL LIABILITIES</b>		<b>164 016</b>	<b>178 617</b>	<b>191 659</b>	<b>-</b>	<b>176 493</b>	<b>176 493</b>	<b>113 914</b>	<b>241 516</b>	<b>254 557</b>	<b>268 304</b>
<b>NET ASSETS</b>	5	<b>1 269 761</b>	<b>1 217 962</b>	<b>1 177 192</b>	<b>84 011</b>	<b>1 409 254</b>	<b>1 409 254</b>	<b>1 253 474</b>	<b>1 233 315</b>	<b>1 357 393</b>	<b>1 483 066</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		1 269 761	1 217 962	1 177 192	84 592	1 409 536	1 409 536	1 376 382	1 233 315	1 357 393	1 483 066
Reserves	4	-	-	-	(571)	(282)	(282)	(122 908)	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1 269 761</b>	<b>1 217 962</b>	<b>1 177 192</b>	<b>84 011</b>	<b>1 409 254</b>	<b>1 409 254</b>	<b>1 253 474</b>	<b>1 233 315</b>	<b>1 357 393</b>	<b>1 483 066</b>

## References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

**EC131 Inxuba Yethemba - Table A7 Budgeted Cash Flows**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		93 602	111 826	99 537	-	38 345	38 345	(1 464)	42 768	45 078	47 512
Service charges		92 612	80 720	110 326	-	140 375	140 375	(5 464)	150 753	158 894	167 474
Other revenue		6 784	5 042	12 604	-	13 050	13 050	(1 711)	10 997	11 590	12 216
Government - operating	1				-	45 834	45 834	(959)	54 181	51 147	54 352
Government - capital	1				-	22 862	22 862	1 041	26 877	28 328	29 858
Interest		1 153	9 386	12 960	-	5 248	5 248	(1 016)	13 377	14 100	14 861
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(171 559)	(175 486)	(192 559)	-	-	-	-	(197 198)	(208 387)	(220 212)
Finance charges		(1 287)	(7 273)	(7 790)	756	4 000	4 000	20	(4 224)	(4 452)	(4 693)
Transfers and Grants	1				-	-	-	-	(11 274)	(11 883)	(12 524)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>21 305</b>	<b>24 215</b>	<b>35 078</b>	<b>756</b>	<b>269 713</b>	<b>269 713</b>	<b>(9 553)</b>	<b>86 257</b>	<b>84 415</b>	<b>88 844</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		220	529	357	4 500	4 500	4 500	-	4 752	5 009	5 279
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(21 336)	(25 582)	(35 708)	(42 664)	(42 664)	(42 664)	-	(26 877)	(28 328)	(29 858)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(21 116)</b>	<b>(25 054)</b>	<b>(35 351)</b>	<b>(38 164)</b>	<b>(38 164)</b>	<b>(38 164)</b>	<b>-</b>	<b>(22 125)</b>	<b>(23 320)</b>	<b>(24 579)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(1 256)	(189)	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 256)</b>	<b>(189)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(1 067)</b>	<b>(1 028)</b>	<b>(273)</b>	<b>(37 408)</b>	<b>231 550</b>	<b>231 550</b>	<b>(9 553)</b>	<b>64 132</b>	<b>61 096</b>	<b>64 265</b>
Cash/cash equivalents at the year begin:	2	4 218	3 151	2 123	2 123	2 123	2 123	-	29 743	93 876	154 971
Cash/cash equivalents at the year end:	2	3 151	2 123	1 850	(35 285)	233 673	233 673	(9 553)	93 876	154 971	219 237

### References

**1. Local/District municipalities to include transfers from/to District/Local Municipalities**

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	194 370	207 503	235 783	4 500	270 213	270 213	(9 573)	303 706	314 146	331 553
Total payments	(194 181)	(208 341)	(236 056)	(41 908)	(38 664)	(38 664)	20	(239 573)	(253 050)	(267 287)
	189	(838)	(273)	(37 408)	231 550	231 550	(9 553)	64 132	61 096	64 265
Borrowings & investments & c deposits	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	(1 256)	(189)	-	-	-	-	-	-	-	-
	(1 067)	(1 028)	(273)	(37 408)	231 550	231 550	(9 553)	64 132	61 096	64 265

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash equivalents at the year end	1	3 151	2 123	1 850	(35 285)	233 673	233 673	(9 553)	93 876	154 971	219 237
Other current investments > 90 days		-	-	903	(3 201)	(226 028)	(226 028)	36 099	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>3 151</b>	<b>2 123</b>	<b>2 753</b>	<b>(38 485)</b>	<b>7 645</b>	<b>7 645</b>	<b>26 546</b>	<b>93 876</b>	<b>154 971</b>	<b>219 237</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	(35 000)	(36 890)	(38 882)
Other working capital requirements	3	46 275	60 360	96 635	-	(85 217)	(85 217)	74 108	96 762	103 423	110 407
Other provisions		-	-	-	-	-	-	-	28 857	31 489	33 169
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>46 275</b>	<b>60 360</b>	<b>96 635</b>	<b>-</b>	<b>(85 217)</b>	<b>(85 217)</b>	<b>74 108</b>	<b>91 619</b>	<b>98 002</b>	<b>104 694</b>
<b>Surplus(shortfall)</b>		<b>(43 124)</b>	<b>(58 237)</b>	<b>(93 882)</b>	<b>(38 485)</b>	<b>92 862</b>	<b>92 862</b>	<b>(47 562)</b>	<b>2 257</b>	<b>56 969</b>	<b>114 543</b>

## References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

#### Qth. Linking capital requirements

Debtors	24 753	35 897	27 811	-	166 217	166 217	(2 897)	31 437	31 699	32 011
Creditors due	71 028	96 257	124 446	-	81 000	81 000	71 211	128 199	135 122	142 418
Total	(46 275)	(60 360)	(96 635)	-	85 217	85 217	(74 108)	(96 762)	(103 423)	(110 407)

### Debtors collection assumptions

Balance outstanding - debtors	17 730	28 851	22 113	153 331	197 917	197 917	67 898	37 896	39 942	42 099
Estimate of debtors collection rate	139.6%	124.4%	125.8%	0.0%	84.0%	84.0%	-4.3%	83.0%	79.4%	76.0%

### Long term investments committed

Balance (insert description, eg sinking fund)

Reserves to be backed by cash/investments

Housing Development Fund

Capital replacement

Self insurance

Other (incl)



**EC131 Inxuba Yethemba - Table A9 Asset Management**[illegible]



Total Upgrading of Existing Assets	6	-	-	-	-	-	-	900	949	1 001
Roads Infrastructure	-	-	-	-	-	-	-	900	949	1 001
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	900	949	1 001
Community Facilities	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	28 202	(37 912)	(37 912)	-	1 453	(1 992)
Roads Infrastructure	-	-	-	-	24 202	(37 912)	(37 912)	(1 000)	399	(3 103)
Storm water Infrastructure	-	-	-	-	4 000	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	28 202	(37 912)	(37 912)	(1 000)	399	(3 103)
Community Facilities	-	-	-	-	-	-	-	1 000	1 054	1 111
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	1 000	1 054	1 111
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	28 202	(37 912)	(37 912)	-	1 453	(1 992)

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1 455 699</b>	<b>1 391 310</b>	<b>1 343 888</b>	<b>(43 194)</b>	<b>1 379 862</b>	<b>1 379 862</b>	<b>1 258 693</b>	<b>1 326 663</b>	<b>1 398 303</b>
Roads Infrastructure		23 047	32 688	12 393	(14 589)	1 400 570	1 400 570	957 275	1 008 968	1 063 452
Storm water Infrastructure		-	-	-	(5 432)	(5 432)	(5 432)	5 432	5 725	6 034
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		20 593	496	-	(2 106)	(2 106)	(2 106)	7 106	7 490	7 894
Solid Waste Infrastructure		-	-	-	(13 427)	(13 427)	(13 427)	(13 427)	(14 152)	(14 916)
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		1 088 277	1 045 335	1 021 192	(1 825)	(1 825)	(1 825)	-	-	-
<b>Infrastructure</b>		<b>1 131 917</b>	<b>1 078 498</b>	<b>1 033 585</b>	<b>(37 378)</b>	<b>1 377 780</b>	<b>1 377 780</b>	<b>956 386</b>	<b>1 008 031</b>	<b>1 062 464</b>
Community Assets		9 772	79 174	85 294	(591)	(591)	(591)	84 703	89 277	94 098
Heritage Assets		2 225	2 225	2 225	-	-	-	2 225	2 345	2 472
Investment properties		37 826	39 160	39 520	(1 845)	6 052	6 052	37 675	39 710	41 854
Other Assets		273 960	192 253	183 264	-	-	-	122 646	129 269	136 260
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	(1 152)	(1 152)	(1 152)	1 098	1 157	1 220
Furniture and Office Equipment		-	-	-	(879)	(879)	(879)	1 777	1 873	1 975
Machinery and Equipment		-	-	-	(1 053)	(1 053)	(1 053)	1 021	1 076	1 134
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	(296)	(296)	(296)	9 886	10 420	10 982
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	41 276	43 505	45 854
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1 455 699</b>	<b>1 391 310</b>	<b>1 343 888</b>	<b>(43 194)</b>	<b>1 379 862</b>	<b>1 379 862</b>	<b>1 258 693</b>	<b>1 326 663</b>	<b>1 398 303</b>
<b>EXPENDITURE OTHER ITEMS</b>										
Depreciation	7	-	-	-	124 231	62 147	62 147	75 787	79 880	84 193
Repairs and Maintenance by Asset Class	3	-	-	-	111 231	60 386	60 386	63 767	67 211	70 840
Roads Infrastructure		-	-	-	13 000	1 761	1 761	12 020	12 669	13 353
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>13 000</b>	<b>1 761</b>	<b>1 761</b>	<b>12 020</b>	<b>12 669</b>	<b>13 353</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>124 231</b>	<b>62 147</b>	<b>62 147</b>	<b>75 787</b>	<b>79 880</b>	<b>84 193</b>
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	27.4%	155.8%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	25.4%	-62.8%	-62.8%	-1.6%	0.6%	-4.4%
R&M as a % of PPE		0.0%	0.0%	0.0%	-44.8%	0.1%	0.1%	0.9%	0.9%	0.9%
Renewal and upgrading and R&M as a % of PPE		0.0%	0.0%	0.0%	-95.0%	-3.0%	-3.0%	1.0%	1.0%	1.0%

#### References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

EC131 Inxuba Yethemba - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min service level)	2									
Other water supply (at least min service level)	4									
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min service level)	3									
Other water supply (< min service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5									
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min service level)										
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet										
Other toilet provisions (< min service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5									
<b>Energy:</b>										
Electricity (at least min service level)										
Electricity - prepaid (min service level)										
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min service level)										
Electricity - prepaid (< min service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5									
<b>Refuse:</b>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5									
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)										
Sanitation (free sanitation service to indigent households)										
Electricity/other energy (50kwh per indigent household per month)										
Refuse (removed once a week for indigent households)										
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>										
<b>Level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)										
Water (in excess of 6 kilolitres per indigent household per month)										
Sanitation (in excess of free sanitation service to indigent households)										
Electricity/other energy (in excess of 50 kwh per indigent household per month)										
Refuse (in excess of one removal a week for indigent households)								2 800	2 951	3 111
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
<b>Total revenue cost of subsidised services provided</b>										

## References

1. Include services provided by another entity, e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

**INXUBA YETHEMBA LOCAL MUNICIPALITY**  
**BUDGET AND TREASURY DIRECTORATE**



**BUDGET WORD DOCUMENT**

**INXUBA YETHEMBA LOCAL MUNICIPALITY**  
**BUDGET AND TREASURY DIRECTORATE**

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## **APPROVAL OF FINAL DRAFT BUDGET FOR 2019/20 AND MTREF.**

### **1. PURPOSE**

To report to the Council on Municipal Final Draft Budget 2019/20 and MTREF.

### **2. LEGISLATIVE FRAMEWORK**

2.1 Section 24 of the Municipal Finance Management Act, 2003 (MFMA) required that "the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

An annual budget-

- a) Must be approved before the start of the financial year;
- b) Is approved by the adoption, by the council a resolution-
- c) Must be approved together with the adoption of resolutions as may be necessary-
  - i. Imposing any municipal tax for the budget year;
  - ii. Setting any municipal tariffs for the budget year;
  - iii. Approving measurable performance objectives for revenue from each source and for each vote in the budget;
  - iv. Approving any changes to the municipality's integrated development plan; and
  - v. Approving any changes to the municipality's budget-related policies

2.2 This will allow the municipality to ensure that a credible budget is compiled.

**The following is an overview of the 2019/20 Final Draft Budget and MTREF**

**2.2 2019/20 Capital Budget has been budgeted as follows:**

Source of Funding	Type	Draft Budget 2019/20 R'000	Budget 20/21 R '000	Budget 21/22 R'000
National Government	MIG	16 104	16 774	17 738
National Government	INEP	10 773	13 007	10 128
Internal Funded Projects (Service Delivery Vehicle)	Own	7 000	4 500	5 200
<b>Total</b>		<b>33 833</b>	<b>34 281</b>	<b>33 066</b>

**3. OVERVIEW OF THE DRAFT BUDGET 2019/2020- 2021/2022**

The total operating revenue is increased by 5,6% as compared to the prior year adjustment budget taking into account Gross domestic product (GDP) growth of 1.7% is estimated in 2019/20 and the guidelines issued by National Treasury in terms of circular No.93 & 94

The total Draft Budget has a surplus of R 27 380 947 for the 2019/20 financial year

**REPAIRS AND MAINTENANCE**

Repairs & maintenance (Capital Expenditure Resealing)	5 000 000
Sub Station Maintenance Project (NEP) Agreement Between IYM and Nersa	7 000 000
<b>TOTAL</b>	<b>12 020 000</b>

**TRANSFER AND GRANTS**

Transfer Recognised Operational (EPWP,FMG & DSRAC)	11 274 000
<b>TOTAL</b>	<b>11 274 000</b>

**TRANSFER RECOGNISED OPERATIONAL**

Equitable Share	42 907 000
FMG	2 680 000
EPWP	1 284 000
Library Grant	2 510 000
(DEDEAT)	3 000 000
MSIG	1 800 000
<b>TOTAL</b>	<b>54 181 000</b>

## 1. RECOMMENDATIONS

Therefore, it is recommended that:

4.1 Council to approve final draft Integrated Development Plan.

4.2 Council to approve final Draft Budget for 2019/20 and MTREF and Budget Relate.

**4.3 Council Approve the following budget related policies; (*Note there are no changes from policies that were approved during Draft Budget 2019/20 all members are urged to use the budget related policies files that were distributed in the March Council Meeting*)**

4.3.1 Draft Inventory Management Policy 2019/20

4.3.2 Draft Credit Control and Debt Collection Policy 2019/20

4.3.3 Draft Virement Policy 2019/20

4.3.4 Draft Cash Management and Investment Policy 2019/20

4.3.5 Draft Supply Chain Management Policy 2019/20

4.3.6 Draft Unauthorized, Irregular, Fruitless and Wasteful Expenditure 2019/20

4.3.7 Draft Budget Policy 2019/20

4.3.8 Draft Asset Management Policy 2019/20

4.3.9 Draft Property Rates Policy 2019/20

4.3.10 Draft Grant Policy 2019/20

4.3.11 Draft Indigent Policy 2019/20

4.3.12 Draft Tariff Policy 2019/20

4.3.13 Draft Debtors Impairment and Write-Off Policy 2019/20

4.3.14 Draft Funding and Reserve Policy 2019/20

4.3.15 Draft TARIFF BY-LAW IYM 2019-20

4.3.16 Draft Debt Collection and Credit Control By-Law 2019/20

4.3.17. Draft Fleet Management Policy 2019/20

4.3.18 4,3,18 Draft Debt Collection Incentive Policy 2019/20

- ▶ Debt incentive policy to be tabled on Council for noting for Public Participation to invite comments for approval in the next meeting.
- ▶ Rollover Application of R 2 500 000 should be sent to Cogta offices before end of June 2019

**4.4 Cognizance be taken of the operations budget schedules and the capital budget schedules attached as Annexure "A" referred to as A-Schedule.**

4.5 Cognisance be taken of MFMA Circular No.93 & 94 issued by National Treasury

4.6 Council to Approval Proposed Final Draft Tariff Structure of 2019/20 Financial Year.



# **INXUBA YETHEMBA LOCAL MUNICIPALITY**

## **BUDGET AND TREASURY DIRECTORATE**



## **QUALITY CERTIFICATE**



## QUALITY CERTIFICATE



I, X. Msweli Municipal Manager of Inxuba Yethemba Municipality, hereby certify that

☐

the S71 Reports

☐

quarterly report on the implementation of the budget;

☒

2019/20 Budget

Budget have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act.

Print Name:

XOLILELA W. MSWELI

Municipal Manager of Inxuba Yethemba Municipality (EC131)

Signature:

[Signature]

Date:

30/05/19

**INXUBA YETHEMBA LOCAL MUNICIPALITY**  
**BUDGET AND TREASURY DIRECTORATE**



**BUDGET LOCKING CERTIFICATION**



## **Certification that the adopted budget for 2019/20 is correctly captured and locked on the municipality's financial management system**

*(as requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 6.3 of MFMA Budget Circular 59 dated 16 March 2012)*

I **X Msweli**, in my capacity as accounting officer of the municipality, hereby certify that:

- The adopted annual budget has been captured on the municipality's financial system;
- There is 100 per cent reconciliation between the budget on the system and the budget adopted by council;
- The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and
- The relevant budget return forms have been submitted to the local government database.

I, further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
- an adjustments budget approved by council.

**INXUBA YETHEMBA LOCAL MUNICIPALITY**  
**BUDGET AND TREASURY DIRECTORATE**



**COUNCIL RESOLUTION**

## INXUBA YETHEMBA

### UMASIPALA WASEKHAYA / PLAASLIKE MUNISIPALITEIT / LOCAL MUNICIPALITY

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*"A coherent developmental municipality putting people first and providing a better life for all its citizens"*

31 May 2019

#### TO WHOM IT MAY CONCERN

Dear Sir / Madam

It is hereby confirmed that Council took the following resolution at a Council Meeting held on 30 May 2019.

#### **C62/19      BUDGET FOR 2019 / 2020 FINANCIAL YEAR AND MTREF PERIOD**

#### **RESOLVED**

2. THAT Council approves the 2019 / 2020 final Draft Budget, MTREF and Budget related policies.
6. THAT Council approves the following budget related policies:
  - 6.1.1.1 Draft Budget Policy 2019/20.
  - 6.1.1.2 Draft Cash Management Investment Policy 2019/20.
  - 6.1.1.3 Draft Indigent Policy 2019/20.
  - 6.1.1.4 Draft IYM Credit Control and Debt Collection Policy 2019/20.
  - 6.1.1.5 Draft IYM Rates Policy 2019/20.
  - 6.1.1.6 Draft Tariff Policy 2019/20.
  - 6.1.1.7 Draft Debt impairment policy 2019/20.
  - 6.1.1.8 Draft Funding and Reserves Policy 2019/20.
  - 6.1.1.9 Draft Grant Policy 2019/20.
  - 6.1.1.10 Draft IYM Asset Management Policy 2019/20.
  - 6.1.1.11 Draft IYM Unclaimed Monies Policy 2019/20.
  - 6.1.1.12 Draft Supply Chain Management Policy 2019/20
  - 6.1.1.13 Draft Virement Policy 2019-20.
  - 6.1.1.14 Draft Inventory Management Policy 2019-20.

- 6.1.1.15 IYM Draft Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy.
  - 6.1.1.16 Draft Property Rates By-law 2019/20
  - 6.1.1.17 2019/20 Draft Tariffs By-law and 2019/20 Tariff Structure.
  - 6.1.1.18 Debt Settlement Incentive Policy 2019/20
- 7. THAT cognisance be taken of operations budget schedules and the capital budget schedules attached as Annexure "A" referred as A-Schedule.
  - 8. THAT cognisance be taken of MFMA Circular No.93 and No.94 issued by National Treasury.
  - 9. THAT the corrections be made to the budget as highlighted in the meeting.

Yours faithfully



**X W MSWELI**  
**MUNICIPAL MANAGER**

**\*\*\* CERTIFIED A TRUE REFLECTION OF THE MINUTES THE COUNCIL MEETING HELD ON 30 MAY 2019**



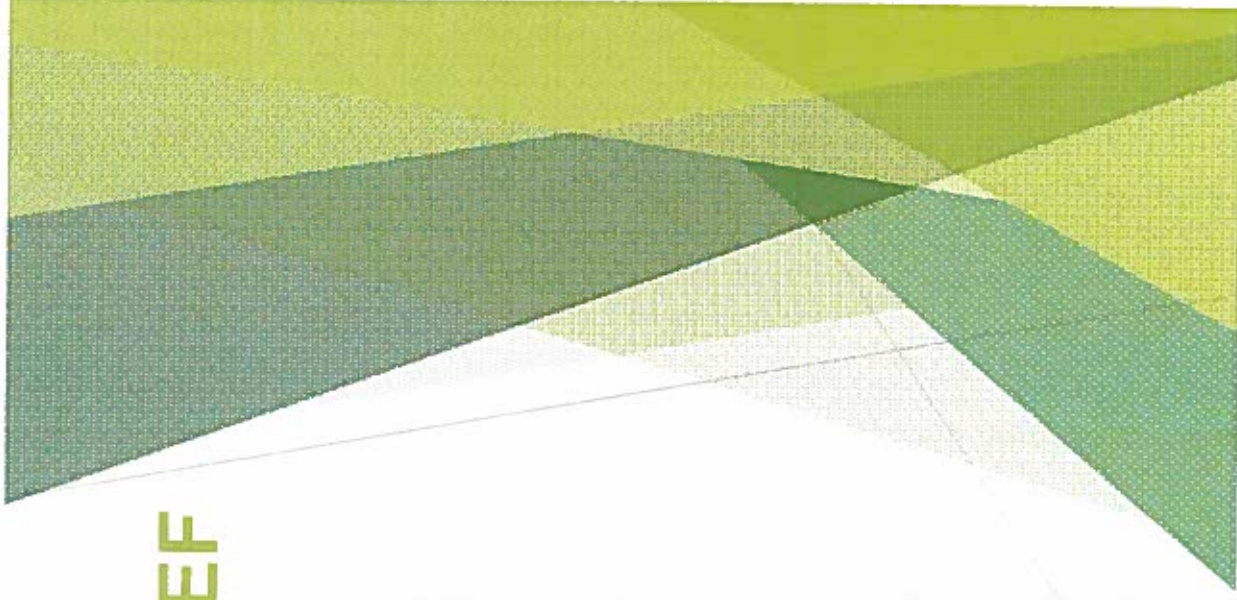
# **INXUBA YETHEMBA LOCAL MUNICIPALITY**

## **BUDGET AND TREASURY DIRECTORATE**



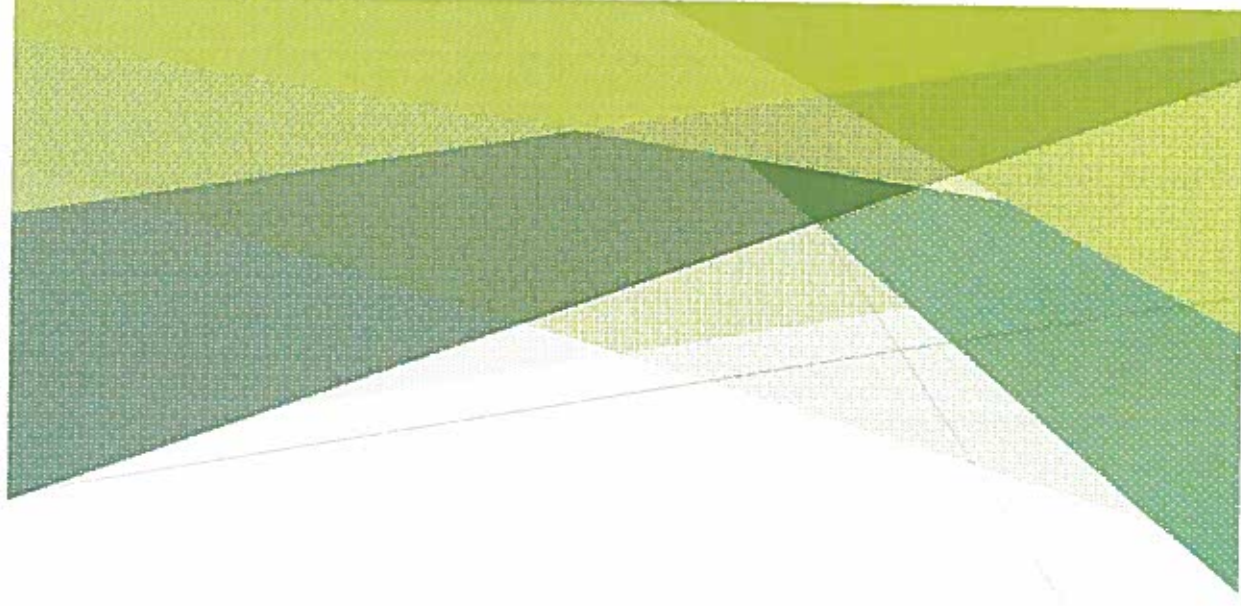
## **POWER POINT PRESENTATION**

# FINAL BUDGET 2019/20 MTREF



# 1. Purpose

- ▶ The purpose of the report is to present to Council Meeting the 2019/20 Municipal Draft Budget and MTREF.



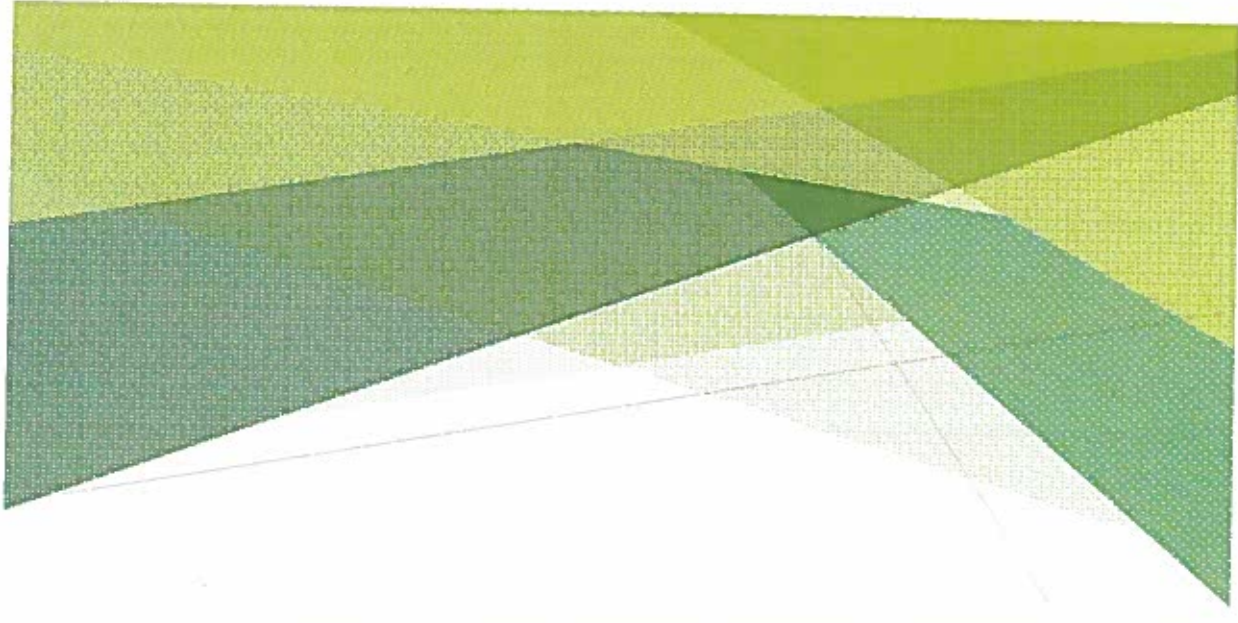
## 2. LEGISLATIVE FRAMEWORK

- ▶ Section 24 of the Municipal Finance Management Act, 2003 (MFMA) required that “the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- ▶ An annual budget-
- ▶ Must be approved before the start of the financial year:
- ▶ Is approved by the adoption, by the council a resolution-
- ▶ Must be approved together with the adoption of resolutions as may be necessary-
- ▶ Imposing any municipal tax for the budget year;
- ▶ Setting any municipal tariffs for the budget year;
- ▶ Approving measurable performance objectives for revenue from each source and for each vote in the budget;



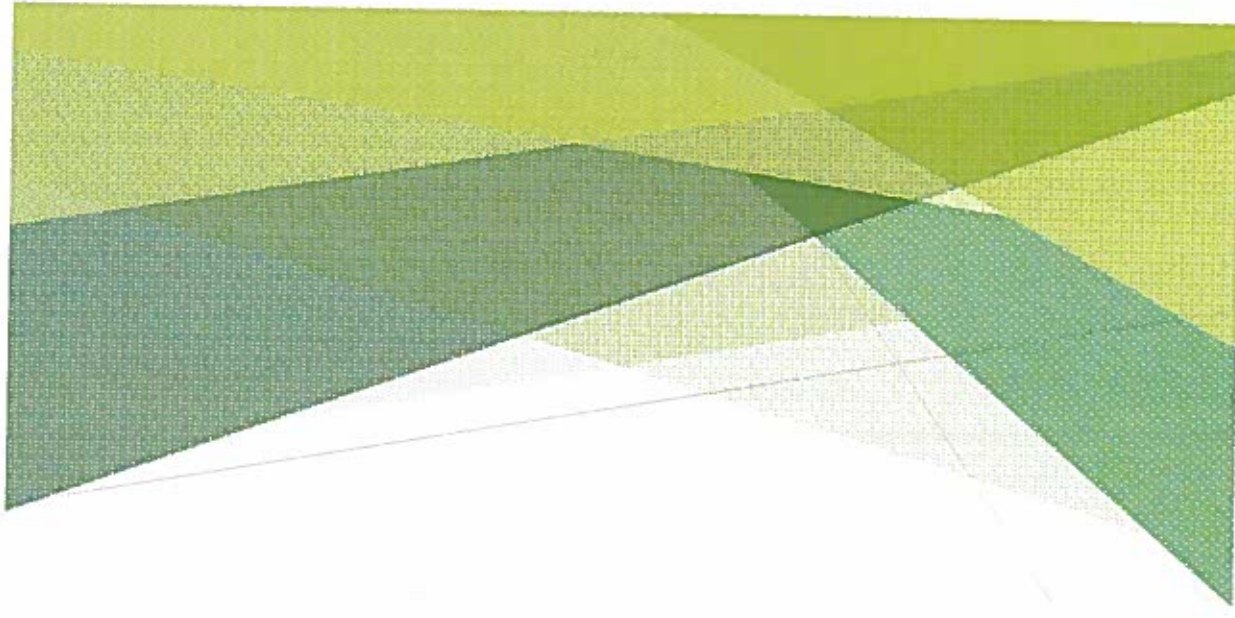
## 4. Legislative Implications

- Municipal Finance Management Act No. 56 of 2003
- Municipal Property Rates Act 6 of 2004
- Municipal Systems Act No. 32 of 2000
- Municipal Structures Act no. 117 of 1998
- Division of Revenue Act (DORA)



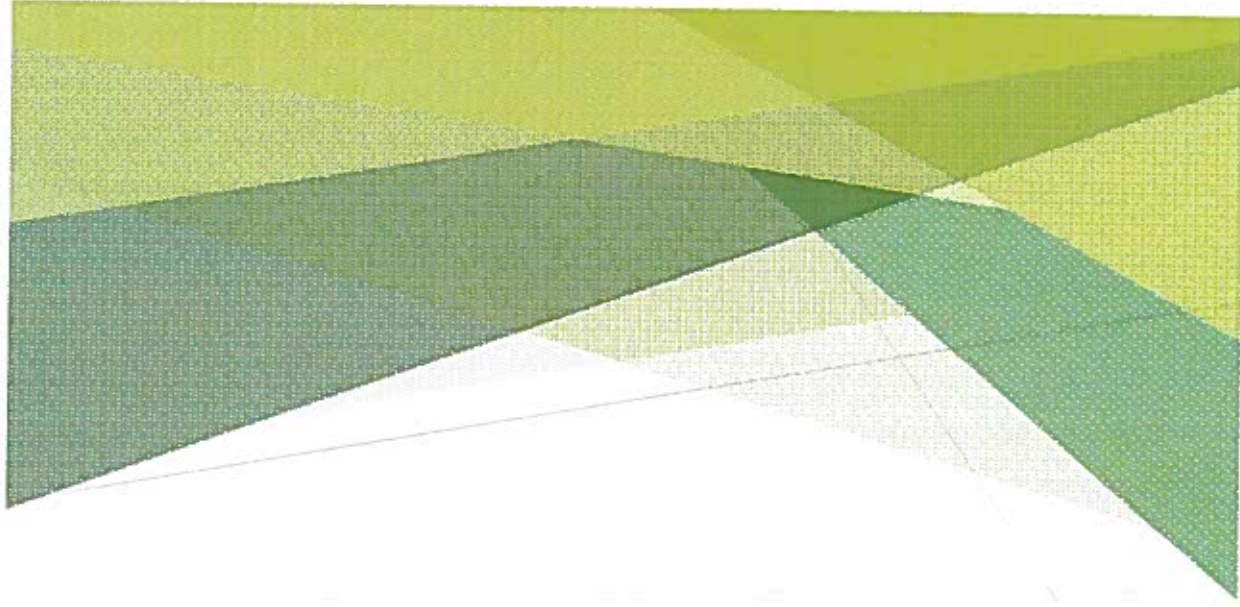
## 5. Authority

- Inxuba Yethemba Municipal Council



## 6. Financial Implications

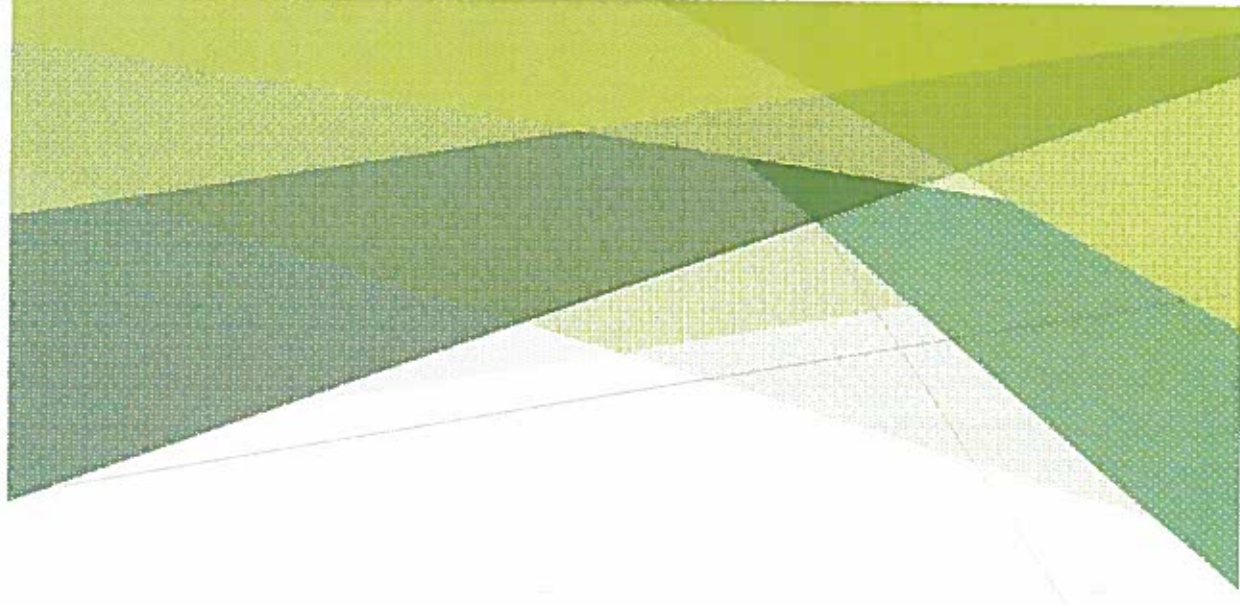
- None





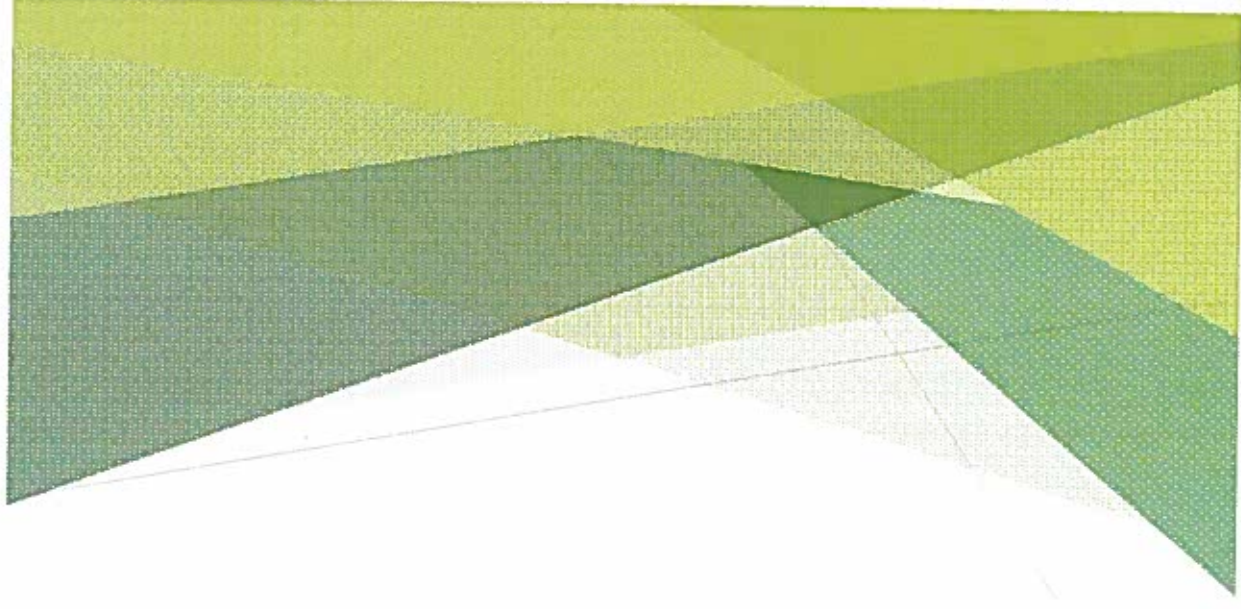
## 7. Other Staff Implications

- Critical Posts to be prioritise



## 8. Parties Consulted

- MAYCO
- Management
- Budget Steering Committee



Description	Adjustment Budget	Draft Budget 2019/20	Variances %	Budget 2020/21	Budget 2021/22
<b>RAND</b>					
<u>Revenue By Source</u>					
Property rates	42 542 348	44 924 719	5,6%	47 350 654	49 907 590
Property rates - penalties & collection charges					
Service charges - electricity revenue	3 480 862	3 675 790	5,6%	3 874 283	4 083 494
Service charges - refuse revenue	121 000 000	137 940 000	14%	157 251 600	179 266 824
Service charges - other	31 600 628	33 370 263	5,6%	35 172 257	37 071 559
Rental of facilities and equipment	33 932 000				
Interest earned - external investments	3 952 146	4 173 466	5,6%	4 398 833	4 636 370
Interest earned - outstanding debtors	891 856	941 800	5,6%	992 657	1 046 261
Fines	13 382 024	14 131 417	5,6%	14 894 514	15 698 818
Licences and permits	244 800	258 509	5,6%	272 468	287 182
Transfers recognised - operational	4 799 269	5 068 028	5,6%	5 341 702	5 630 153
Other revenue	42 033 000	54 181 000	28%	51 147 000	54 352 000
Gains on disposal of PPE	2 837 322	2 996 212	5,6%	3 158 007	3 328 540
	4 500 000	4 752 000	5,6%	-	-
<b>Total Revenue</b>	<b>305 196 255</b>	<b>306 413 205</b>		<b>323 853 976</b>	<b>355 308 791</b>



Description	Adjustment Budget	Draft Budget 2019/20	Variances %	Budget 2020/21	Budget 2021/22
<b><u>Expenditure By Type</u></b>					
Employee related costs	90 000 000	90 000 000	0,0%	95 400 000	101 124 000
Remuneration of councillors	7 200 000	8 006 400	11,2%	8 438 746	8 894 438
Debt impairment	2 432 503	2 568 723	5,6%	2 707 434	2 853 636
Depreciation & asset impairment	60 385 602	63 767 196	5,6%	67 210 624	70 839 998
Finance charges	4 000 000	4 224 000	5,6%	4 452 096	4 692 509
Bulk purchases	50 000 000	52 800 000	5,6%	55 651 200	58 656 365
Repairs & maintenance	6 000 000	19 020 000	217%	20 047 080	21 129 622
Contracted Services	13 795 000	5000 000	-64%	5 270 000	5 554 580
Transfers and grants	29 043 000	11 274 000	-38%	11 882 796	12 524 467
Other expenditure	23 302 973	22 371 939	-4%	23 580 024	24 853 345
<b>Total Expenditure</b>	<b>286 159 078</b>	<b>279 032 258</b>		<b>296 748 000</b>	<b>313 344 792</b>
<b>Surplus/(Deficit)</b>	<b>19 037 177</b>	<b>27 380 947</b>		<b>29 213 977</b>	<b>44 185 831</b>

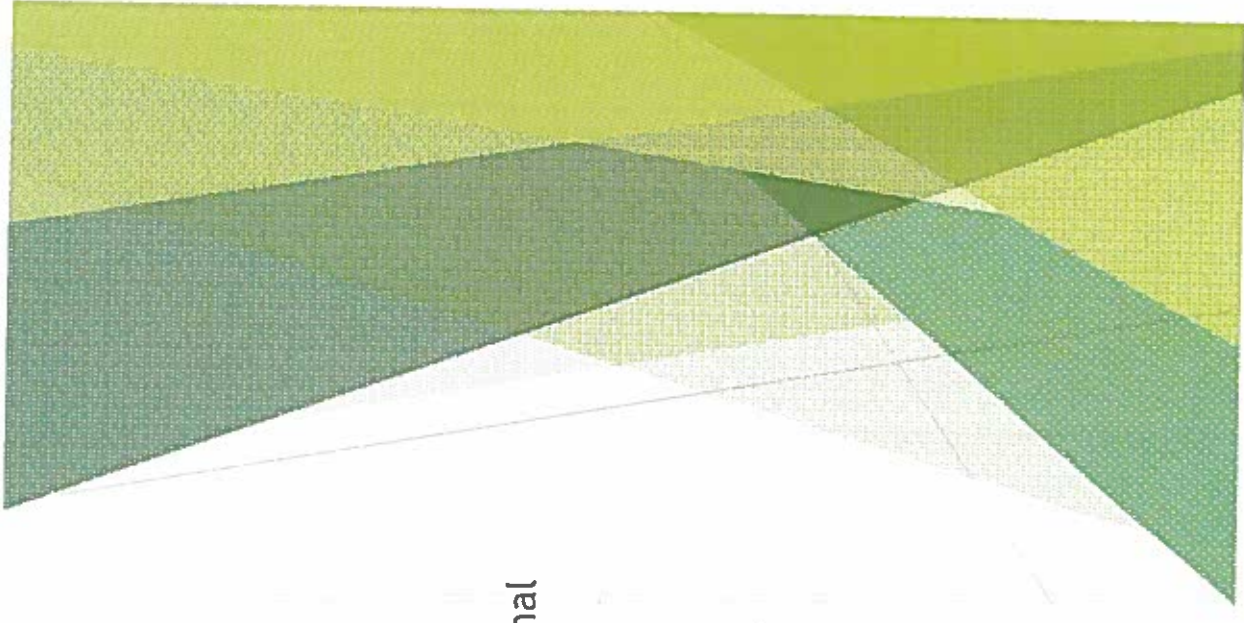
# 2019/20 CAPITAL BUDGET

Source of Funding	Type	Draft Budget 2019/20 R'000	Budget 20/21 R '000	Budget 21/22 R'000
National Government	MIG	16 104	16 774	17 738
National Government	INEP	10 773	13 007	10 128
Internal Funded Projects	Own	7 000	4 500	5 200
Total		33 833	34 281	33 066



# OVERVIEW OF THE DRAFT BUDGET 2019/2020- 2021/2022

- ▶ The total operating revenue is increased by 5,6% as compared to the prior year adjustment budget taking into account Gross domestic product (GDP) growth of 1.7% is estimated in 2019/20 and the guidelines issued by National Treasury in terms of circular No.93 & 94
- ▶ The total Draft Budget has a surplus of R 27 380 947 for the 2019/20 financial year



# OVERVIEW OF THE DRAFT BUDGET 2019/2020- 2021/2022 CONTINUES...

<b>TRANSFER AND GRANTS</b>	
Transfer Recognised Operational (EPWP, FMG & DSRAC)	11 274 000
<b>TOTAL</b>	<b>11 274 000</b>
<b>REPAIRS AND MAINTENANCE</b>	
Repairs & maintenance (Operational Expenditure)	7 020 000
Repairs & maintenance (Capital Expenditure Resealing)	5 000 000
Sub Station Maintenance Project (NEP) Agreement Between IYM and Nersa	7 000 000
<b>TOTAL</b>	<b>19 020 000</b>



# OVERVIEW OF THE DRAFT BUDGET 2019/2020- 2021/2022 CONTINUES...

TRANSFER RECOGNISED OPERATIONAL	
Equitable Share	42 907 000
FMG	2 680 000
EPWP	1 284 000
Library Grant	2 510 000
Gassstoves and Cylinders (EDEAT)	3 000 000
MSIG	1 800 000
TOTAL	54 181 000

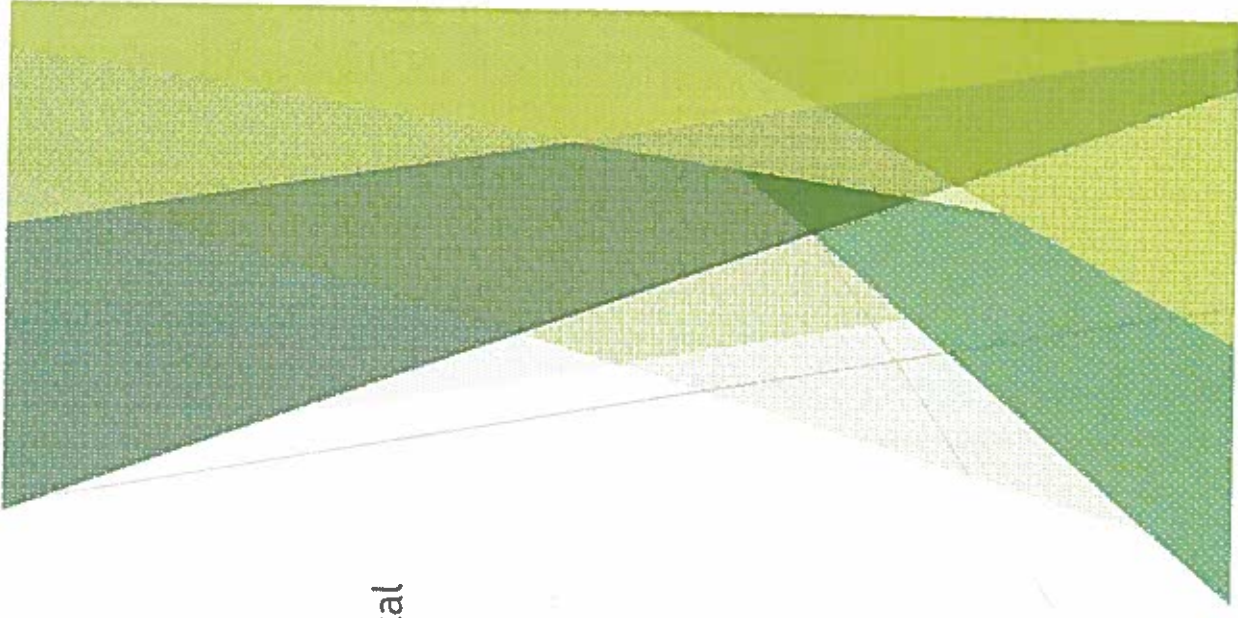


# Proposed Projects 2019/20

Project Name	Project Type	Project Status Reg/Not Reg.	Total Project Cost	2019/20 ALLOCATION	Physical Progress
Construction of Lusaka Community Hall(Middelburg)	Community Facility	Registered	R10,600	R2,500	Construction – 35%
Lingelihle Community Hall, Ward 2 (Craddock)	Community Facility	Registered	R13,538	R5,000	Design & Tender
Paving of Mpolweni Access Roads (Craddock)	Roads	Registered	R9,948	R5,000	Design & Tender
Rehabilitation of Midros Sports Field – Planning Project (Middelburg)	Sport Field	Registered	R0,350	R0,350	Design & Tender
Installation of Midros & Lusaka High Mast Lights (Middelburg)	Community Lighting	Not Registered	R12,950	R2,500	Captured
Upgrading of Commonages Infrastructure (Craddock & Middelburg)	LED	Not Registered	R1,900	R0,950	Captured
Paving of Makwemba Street (Craddock)	Roads	Not Registered	R6,500	R2,200	Captured
<b>TOTAL</b>			<b>R55,786</b>	<b>R18,500</b>	

# Proposed Projects 2019/20 Conti...

- ▶ NB: the above capital projects are multi-year projects which cannot be accomplished in one financial year due to the below allocation vs their total project costs.
- ▶ 2019/2020 Allocation is R16 104 000
- ▶ All captured projects are to be presented to the MIG Committees for implementation in the 2019/20 Financial Year in order to reduce backlog.



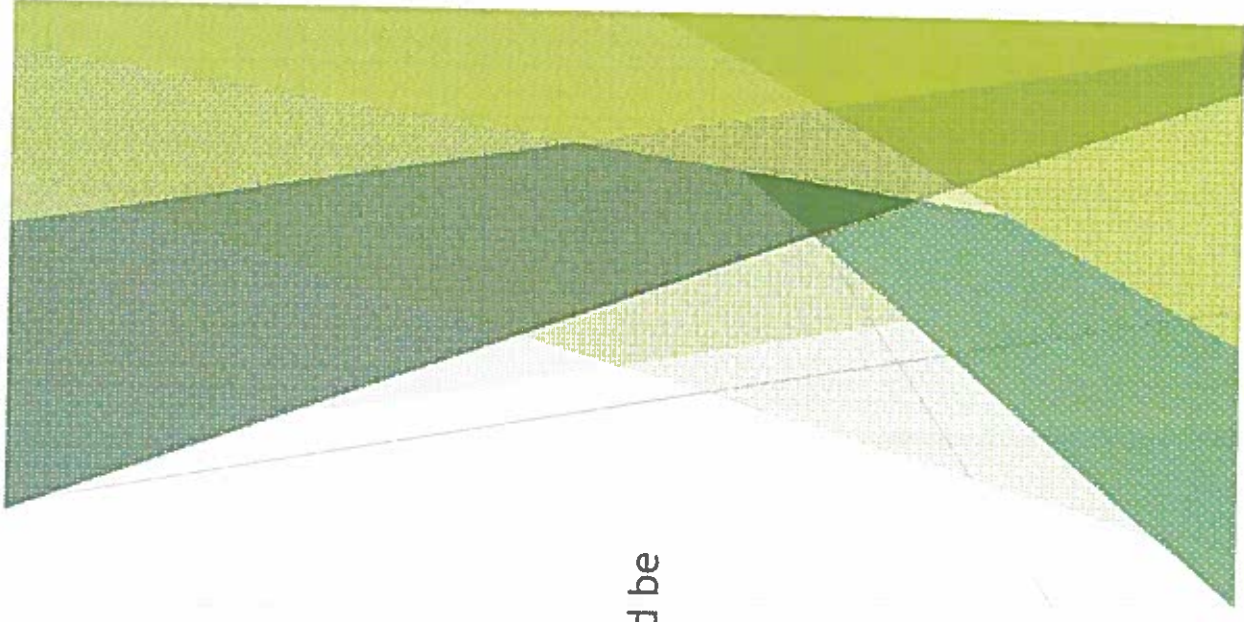
# Budget Policy Parameters

- ▶ Employee costs will be limited to 31.2% of our operating budget.
- ▶ Electricity tariffs will increased by 14% whilst Eskom will be increasing their tariff by 13%.
- ▶ The District Municipality will increase water tariffs by 6 %.
- ▶ Repairs and Maintenance will be 6.8% of the expenditure.
- ▶ The internal generated budget for Capital amounts is R7M will be utilised to purchase service delivery vehicle.
- ▶ Budget has made provision for Salary Increment of 6.5%.
- ▶ Our collection rate has increased from 68% to 86 % and we anticipate to increase our collection rate to 90% for this forthcoming financial year.
- ▶ IYM will intensify this Clean Ward Competition". The program will be implemented in 2019/20 Financial Year and Community Service will develop terms of reference through funding from Dedeat
- ▶ Lunch of Operation "Bhatala" that will be driven by incentive Policy. Purpose of this lunch is to encourage our community in paying historical debt.
- ▶ Overtime will be cut by 70%.
- ▶ Expenditure on flights will also be cut by 50%
- ▶ Contracted Services will be reduced from R 13 795000 to R 5 000 000.



# Budget Policy Parameters Conti....

- ▶ S&T will be cut by 80%
- ▶ Purify our indigent register will completed by 30 September 2019
- ▶ Electricity Losses will be reduced to 9%
- ▶ Accommodation will be reduced by 80%
- ▶ All Critical Vacant Positions that are affected by contracted services should be filled before 30 June 2019.
- ▶ All S&T, Flights and Accommodation will be pre-approved by Accounting Officer before any expenditure to be incurred
- ▶ Fuel Expenditure will be reduced by 50%



# 9. BUDGET RELATED POLICIES

Council to Approve Draft Budget for 2019/20 and MTREF and Budget Related Policies

- ▶ 4.3.1 Draft Inventory Management Policy 2019/20
- ▶ 4.3.2 Draft Credit Control and Debt Collection Policy 2019/20
- ▶ 4.3.3 Draft Virement Policy 2019/20
- ▶ 4.3.4 Draft Cash Management and Investment Policy 2019/20
- ▶ 4.3.5 Draft Supply Chain Management Policy 2019/20
- ▶ 4.3.6 Draft Unauthorized, Irregular, Fruitless and Wasteful Expenditure 2019/20
- ▶ 4.3.7 Draft Budget Policy 2019/20

# Recommendations conti.....

- ▶ 4.3.8 Draft Asset Management Policy 2019/20
- ▶ 4.3.9 Draft Property Rates Policy 2019/20
- ▶ 4.3.10 Draft Grant Policy 2019/20
- ▶ 4.3.11 Draft Indigent Policy 2019/20
- ▶ 4.3.12 Draft Tariff Policy 2019/20
- ▶ 4.3.13 Draft Debtors Impairment and Write-Off Policy 2019/20
- ▶ 4.3.14 Draft Funding and Reserve Policy 2019/20
- ▶ 4.3.15 Draft Contract Management Policy 2019/20
- ▶ 4.3.16 Draft TARIFF BY-LAW IYM 2019-20
- ▶ 4.3.17 Draft Debt Collection and Credit Control By-Law 2019/20
- ▶ 4.3.18 Draft Debt Collection Incentive Policy 2019/20
- ▶ 4.3.19 Draft Fleet Management Policy 2019/20

▶ Debt incentive policy to be tabled on Council for noting for Public Participation to invite comments for approval in the next meeting.

▶ Rollover Application of R 2 500 000 should be sent to Cogla offices before end of June 2019

▶ Cognisance be taken of MFMA Circular No 93 and 94 issued by National Treasury